ADJUSTMENTS OF CAPITAL GAINS AND LOSSES

Attach this schedule to your *Michigan Income Tax Return* (form MI-1040). Issued under P.A. 281 of 1967. Filing is mandatory.

1999 SCHEDULE MI-1040D

Round all money items to whole dollars.

First Name, Middle Initial and Last Name	Social Security Number(s)				
PART1 Short-term Capital	Gains and Losses - A	ssets held 1 ye	ar or less		
A.	B.	C.	D.	E.	F.
Kind of property and description	Date	Data sold	Federal Gain - Loss	Loss from column D	
Kind of property and description (Example, 100 shares of "Z" Co.)	acquired (mo./day/yr.)	Date sold (mo./day/yr.)	from column f of U.S. <i>Schedule D</i>	subject to Michigan income tax	subject to Michigan income tax
1	, , , ,	, , ,			
2. Enter your short-term totals, if	any, from page 2, line	20.			
3. Information from U.S. 1040D li					
4. Short-term gain from U.S. 625	2 and short-term	-			
gain/loss from U.S. 4684, 678		4			
5. Net short-term gain/loss from p					
S corporations and fiduciaries) 5			
6. Short-term capital loss carryov					
7. Net short-term gain (or loss), or				()	
7a. Combine line 7, columns E and				70	
PART2 Long-Term Capital	Gains and Losses - A	ssets held mor	e than 1 year		
8					
9. Enter your long-term totals, it	f any, from page 2, line	22.			
10. Information from U.S. 1040D	line 10 is not necessa	ry for Michigan.			
11. Gain from U.S. 4797; long-te	rm gain from				
U.S. 2439 and 6252; and long	g-term gain/loss				
from U.S. 4684, 6781 and 88	24	11.			
12. Net long-term gain/loss from	partnerships,				
S corporations and fiduciarie	s (from Schedule(s) K-	1)12.			
13. Capital gain distributions		13.			
14. Long-term capital loss carryo	ver from 1998	14.	()		
15. Combine lines 8-14				()	
16. Combine line 15, columns E	and F (Michigan gain a	and loss)		16.	
PART3 Summary of Short	and Long-Term Gair	s and Losses			
				Col. Y - Fed	eral Col. Z - Mich.
17. Combine lines 7 and 15 of co	olumn D, and enter on I	line 17, column Y	'.		
Combine lines 7a and 16, and	d enter on line 17, colu	ımn Z.			
If line 17 is a gain, carry the g	gain amount in column	Y to MI-1040 Sc	hedule 1, line 10, and	d	
carry the amount in column Z	to MI-1040 Schedule	1, line 3		. 17.	
18. LOSS. If line 17 shows a loss	s, enter in each columr	n the smaller of			
a. The loss on line 17; or					
b. \$3,000 (if married filing se					
Carry the loss amount in colu					
Carry the loss amount in colu	ımn Z to MI-1040 Sche	edule 1, line 17		18	

PART4	onon ronn ouplial our		A330t3 ficial i	year or less (contini	adion of Fart 1)	
	A.	B.	C.	D.	E.	F.
IC:n al af		Date	Data salal	Federal Gain - Loss	Loss from column D	Gain from column D
	property and description e, 100 shares of "Z" Co.)	acquired (mo./day/yr.)	Date sold (mo./day/yr.)	from column f of U.S. Schedule D	subject to Michigan income tax	subject to Michigan income tax
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19						
20 Line 10	short torm totals. Add solur	nn D (fodoral)				
	short-term totals. Add colur		00			
and E ar	nd F (Michigan). Enter here	and on line 2	20.			
PART5	Long-Term Capital Gai	ns and Losses	- Assets held m	ore than 1 year (con	tinuation of Part 2)	
21.						
		ļ				
22. Line 21	long-term totals. Add colun	nn D (federal).				
	nd F (Michigan). Enter here		22			
and E a	ia i (iviioriigari). Eritor riore					
		I I ACC CAPPUOU	ara fram 1000 to	2000		
PART6	Computation of Capita	I Loss Carryove	ers from 1999 to	2000	Cal V. Fada	ral Cal 7 Miah
	-			2000	Col. Y - Fede	ral Col. Z - Mich.
	e amount from U.S. 1040,			2000	Col. Y - Fede	ral Col. Z - Mich.
23. Enter th	-	line 37 in both co	olumns.			ral Col. Z - Mich.
23. Enter th	e amount from U.S. 1040,	line 37 in both coparenthesis	olumns.		23.	ral Col. Z - Mich.
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Instructions for Completing Schedule MI-1040D

When to File

Use this form to adjust your Michigan taxable income if you have capital gains or losses attributable to:

- 1) Periods before October 1, 1967 (Section 271 adjustment). If you file U.S. *1040D* or *4797* and you elect to adjust under Section 271 of the Michigan Income Tax Act, you must file the equivalent Michigan forms (MI-1040D or MI-4797). You must include all items of gain or loss realized during the tax year.
- 2) Gains or losses from the sale or exchange of U.S. obligations that cannot be taxed by Michigan.
- 3) Gains or losses from property subject to the allocation and apportionment provisions.

Schedule MI-1040D must be attached to your Michigan income tax return (MI-1040).

General Information

Michigan form MI-1040D follows the U.S. *1040D* and all the information necessary for completing it should be taken from your U.S. *1040D*.

Beginning with tax year 1999, Schedule MI-1040D computations must be carried to MI-1040 Schedule 1. <u>Both Schedules</u> (MI-1040D and MI-1040 Schedule 1) must be attached to your MI-1040.

Rounding Off

Show money items as whole dollar amounts. Round down amounts less than 50 cents. Round up amounts of 50 through 99 cents.

Identification

Be sure to enter your name(s) and Social Security number(s) at the top of this schedule.

Parts 1 and 2

Federal Information

Complete columns A, B, C, and D from corresponding columns a, b, c and f on your U.S. *Schedule D*. If you need more space for items listed on line 1, continue on page 2, Part 4. Line 8 continues on page 2, Part 5.

Michigan Gain or Loss

In Michigan columns E and F enter the portion of federal gain and loss subject to Michigan income tax.

Section 271. To apportion under Section 271, multiply the gain or loss in column D by the number of months the property was held after September 30, 1967. Divide the result by the total number of months held. Enter the result in the Michigan gain or loss column (E or F). For the purpose of this computation, the first month may be excluded if acquisition took place after the 15th, and the last month may be excluded if disposal took place before the 15th.

Gain from installment sales made before October 1, 1967 must show the federal gain in column D and zero in Michigan column F. Gains from installment sales made after October 1, 1967 are subject to Michigan tax but may be apportioned under Section 271.

Distributions from employee's pension, bonus or profit-sharing trust plans that are considered to be long-term capital gains (under Section 402 of the Internal Revenue Code) and capital gains distributions are not eligible for Section 271 treatment.

Sale of Property. Enter the total gain in both the federal and Michigan columns. Enter in the Michigan column the gain or loss from the sale or exchange of:

- 1) Real property located in Michigan, or
- 2) Tangible personal property located in Michigan at the time of the sale or owned by a Michigan resident and not subject to tax in the state where the property is located, or
- 3) Intangible personal property sold by a Michigan resident.

U.S. Obligations. Gains from the sale of some U.S. obligations are not subject to tax and losses are not deductible. Enter a zero in the Michigan columns for gains or losses realized from the sale of these non-taxable U.S. obligations.

Note: Any interest expense and other expenses incurred in the production of income from U.S. obligations should be offset against dividend and interest income from U.S. obligations on the MI-1040 return. See the instructions for MI-1040 Schedule 1 line 8 in the MI-1040 instruction booklet.

Out-of-State Property. Gains from the sale of property located in another state are not subject to tax and losses are not deductible.

Part 3

Follow the instructions on the MI-1040D to exclude portions of capital gains or losses that cannot be taxed by Michigan.

Note: When figuring which negative number is smaller, treat both numbers as if they were positive.

Part 4

Part 4 is a continuation of short-term capital gains and losses listed on line 1. Attach additional sheets if more space is needed. Enter totals from additional sheets and line 20 on line 2.

Part 5

Part 5 is a continuation of long-term capital gains and losses listed on line 8. Attach additional sheets if more space is needed. Enter totals from additional sheets and line 22 on line 9.

Part 6

Part 6 is similar to the *Capital Loss Carryover Worksheet* from the U.S. *1040D* instructions. Follow the instructions on the MI-1040D. Enter federal figures in column Y and Michigan figures in column Z. On line 23, column Z, enter the same figure you entered in column Y.



